

105TH CONGRESS  
2D SESSION

# H. R. 4278

To require the provision of health care benefits under Federal contracts  
and subcontracts.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 20, 1998

Mr. GUTIERREZ (for himself, Mr. KUCINICH, and Mr. HILLIARD) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the provision of health care benefits under  
Federal contracts and subcontracts.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Benefits in  
5 Federal Contracting Act of 1998”.

6 **SEC. 2. HEALTH BENEFITS STANDARDS.**

7 (a) REQUIREMENT.—

1           (1) GENERAL RULE.—Except as provided in  
2       paragraph (2), any employer under a Federal con-  
3       tract for an amount exceeding \$10,000 or a sub-  
4       contract under a Federal contract for such an  
5       amount shall, except as provided in subsection (b),  
6       provide each of the employer’s employees working on  
7       or hired in conjunction with such contract or sub-  
8       contract health benefits that meet the requirements  
9       of this section.

10           (2) EXCEPTIONS.—

11           (A) EMPLOYERS.—Paragraph (1) shall not  
12       apply to an employer which is—

13                   (i) a small business concern as defined  
14                   under section 3 of the Small Business Act  
15                   (15 U.S.C. 632), or

16                   (ii) a nonprofit organization exempt  
17                   from Federal income tax under section  
18                   501(c) of the Internal Revenue Code of  
19                   1986 if the ratio of the total compensation  
20                   of its chief executive officer to the com-  
21                   pensation of the full-time equivalent of its  
22                   lowest paid employee is not greater than  
23                   25 to 1.

1 (B) EMPLOYEES.—The requirement of  
2 paragraph (1) shall not apply to an employee  
3 who—

4 (i) is employed for less than 17-½  
5 hours per week (on average) for the em-  
6 ployer;

7 (ii) has health benefits coverage  
8 through other employment or through em-  
9 ployment of the employee's spouse or par-  
10 ents; or

11 (iii) is participating in an apprentice-  
12 ship program, or any other training pro-  
13 gram which does not exceed 6 months in  
14 duration and which is offered to an em-  
15 ployee while employed in productive work  
16 that provides training, technical and other  
17 related skills, and personal skills that are  
18 essential to the full and adequate perform-  
19 ance of the employee's employment.

20 (3) SCOPE.—An employer may not avoid the re-  
21 quirement of paragraph (1)—

22 (A) by laying off or otherwise terminating  
23 the employment of an employee with the inten-  
24 tion of replacing such employee with an em-  
25 ployee who, under subsection (b), is not eligible

1           for the health care benefits required by para-  
2           graph (1); or

3           (B) by reducing the number of hours of  
4           employment of an employee with the intention  
5           of making the employee ineligible for such bene-  
6           fits.

7           (4) CONTRACT REQUIREMENT.—Any contract  
8           between the Federal Government and any contractor  
9           and any contract between such contractor with a  
10          subcontractor to carry out work for the Federal Gov-  
11          ernment shall require the contractor or subcontrac-  
12          tor to provide the health benefits required by para-  
13          graph (1).

14          (b) REQUIRED HEALTH BENEFITS.—The health ben-  
15          efits required under subsection (a) shall meet the following  
16          requirements:

17               (1) SCOPE OF BENEFITS.—The scope of bene-  
18               fits shall be at least actuarially equivalent to the  
19               benefits under the health benefits plan offered under  
20               chapter 89 of title 5, United States Code, with the  
21               largest national enrollment.

22               (2) EMPLOYER CONTRIBUTION.—The employer  
23               contribution towards such coverage—

24                       (A) that only includes coverage for the em-  
25                       ployee, shall be not less than the percentage

1 contribution made by the Federal Government  
2 under such chapter for coverage described in  
3 paragraph (1) for non-family coverage; and

4 (B) that includes coverage for family mem-  
5 bers, shall be equal to the contribution de-  
6 scribed in subparagraph (A) plus at least 50  
7 percent of the additional cost to obtain family  
8 coverage.

9 (c) ENFORCEMENT.—

10 (1) TERMINATION.—If an employer does not  
11 provide the health benefits required by subsection  
12 (a) the Federal contract or subcontract under which  
13 such employer was employing employees shall be ter-  
14 minated.

15 (2) INELIGIBILITY.—An employer described in  
16 paragraph (1) shall not be eligible for any Federal  
17 contract or subcontract for a period of 5 years be-  
18 ginning on the date the employer does not provide  
19 the required health benefits.

20 (3) RESTITUTION.—An employer who does not  
21 provide the health benefits required by subsection  
22 (a) shall be liable to the United States in an amount  
23 equal to the unpaid benefits and in addition an  
24 equal amount as liquidated damages. The Secretary  
25 of Labor shall pay to the employees who were not

1        provided such benefits the amount recovered by the  
2        United States under this paragraph.

3    **SEC. 3. EFFECTIVE DATE.**

4        This Act shall take effect with respect to Federal con-  
5    tracts entered into, renewed, or extended after 90 days  
6    after the date of enactment of this Act.

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